

between \$750,000 and \$2 million. However, business owners complained about this requirement being instituted for loans of \$200,000 or less. I can understand their frustration. Business owners, in many cases who have just lost everything, are applying to SBA for a \$150,000 loan for their business. SBA then responds by asking them to put up their \$400,000 personal home as collateral when the business may have sufficient business assets available to collateralize the loan. While I also understand the need for SBA to secure the loans, make the program cost effective, and minimize risk to the taxpayer, SBA has at its disposal multiple ways to secure loans.

Furthermore, SBA has repeatedly said publicly and in testimony before my committee that it will not decline a borrower for a lack of collateral. According to a July 14, 2010 correspondence between SBA and my office, the agency notes that "SBA is an aggressive lender and its credit thresholds are well below traditional bank standards. . . . SBA does not decline loans for insufficient collateral." SBA's current practice of making loans is based upon an individual/business demonstrating the ability to repay and income. The agency declines borrowers for an inability to repay the loan. In regards to collateral, SBA follows traditional lending practices that seek the "best available collateral." Collateral is required for physical loans over \$14,000 and Economic Injury Disaster Loans, EIDL, loans over \$5,000. SBA takes real estate as collateral when it is available, but as I stated, the agency will not decline a loan for lack of collateral. Instead it requires borrowers to pledge what is available. However, in practice, SBA is requiring borrowers to put up a personal residence worth \$300,000 or \$400,000 for a business loan of \$200,000 or less when there are other assets available for SBA.

While I do not want to see SBA tie up too much of a business' collateral, I also believe that if a business is willing and able to put up business assets towards its disaster loan, SBA should consider that first before attempting to bring in personal residences. It is unreasonable for SBA to ask business owners operating in very different business environments post-disaster to jeopardize not just their business but also their home. Loans of \$200,000 or less are also the loans most likely to be repaid by the business so personal homes should be collateral of last resort in instances where a business can demonstrate the ability to repay the loan and that it has other assets.

In closing, I believe that this commonsense fix will greatly benefit businesses impacted by future disasters. This provision does not substantively change SBA's current lending practices and it will not have a significant cost. I believe that this legislation would not trigger direct spending nor would it have a significant impact on the subsidy rate for SBA disaster loans. Cur-

rently for every \$1 loaned out, it costs approximately 10 cents on the dollar. Most importantly, this bill will greatly improve the SBA disaster loan programs for businesses ahead of future disasters. If a business comes to the SBA for a loan of less than \$200,000 to make immediate repairs or secure working capital, they can be assured that they will not have to put up their personal home if SBA determines that the business has other assets to go towards the loan. However, if businesses seek larger loans than \$200,000, then the current requirements will still apply. This ensures that very small businesses and businesses seeking smaller amounts of recovery loans are able to secure these loans without significant burdens on their personal property. For the business owners we have spoken to, this provides some badly needed clarity to one of the Federal Government's primary tools for responding to disasters.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3681

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CLARIFICATION OF COLLATERAL REQUIREMENTS.

Section 7(d)(6) of the Small Business Act (15 U.S.C. 636(d)(6)) is amended by inserting after "which are made under paragraph (1) of subsection (b)" the following: "Provided further, That the Administrator, in obtaining the best available collateral for a loan of not more than \$200,000 under paragraph (1) or (2) of subsection (b) relating to damage to or destruction of the property of, or economic injury to, a small business concern, shall not require the owner of the small business concern to use the primary residence of the owner as collateral if the Administrator determines that the owner has other assets with a value equal to or greater than the amount of the loan that could be used as collateral for the loan: *Provided further*, That nothing in the preceding proviso may be construed to reduce the amount of collateral required by the Administrator in connection with a loan described in the preceding proviso or to modify the standards used to evaluate the quality (rather than the type) of such collateral".

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 616—TO AUTHORIZE THE PRODUCTION OF RECORDS BY THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS OF THE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. REID (for himself and Mr. McCONNELL) submitted the following resolution; which was considered and agreed to:

S. RES. 616

Whereas, the Permanent Subcommittee on Investigations of the Committee on Homeland Security and Governmental Affairs con-

ducted an investigation into the anti-money laundering and terrorist financing vulnerabilities created when a global bank uses its U.S. affiliate to provide U.S. dollars, U.S. dollar services, and access to the U.S. financial system to high risk affiliates, high risk correspondent banks, and high risk clients;

Whereas, the Subcommittee has received a request from a federal law enforcement agency for access to records of the Subcommittee's investigation;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the Chairman and Ranking Minority Member of the Permanent Subcommittee on Investigations of the Committee on Homeland Security and Governmental Affairs, acting jointly, are authorized to provide to law enforcement officials, regulatory agencies, and other entities or individuals duly authorized by federal, state, or foreign governments, records of the Subcommittee's investigation into the anti-money laundering and terrorist financing vulnerabilities created when a global bank uses its U.S. affiliate to provide U.S. dollars, U.S. dollar services, and access to the U.S. financial system to high risk affiliates, high risk correspondent banks, and high risk clients.

SENATE RESOLUTION 617—CONGRATULATING THE RECIPIENT OF THE 2012 HEISMAN MEMORIAL TROPHY

Mrs. HUTCHISON (for herself and Mr. CORNYN) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 617

Whereas, for the 78th time, the Heisman Memorial Trophy has been awarded to the most outstanding collegiate football player in the United States;

Whereas Johnny Manziel overcame intense competition and defied expectations during Texas A&M University's first year in the Southeastern Conference;

Whereas Manziel led the 2012 Texas A&M Aggie football team to a regular season record of 10 wins and 2 losses;

Whereas Manziel was awarded the Davey O'Brien National Quarterback Award as the top quarterback in the National Collegiate Athletic Association;

Whereas Manziel became the first freshman, and only the fifth player ever, in National Collegiate Athletic Association Football Bowl Subdivision history to achieve 3,000 passing yards and 1,000 rushing yards in a season;

Whereas Manziel became the first player in the Football Bowl Subdivision to pass for 300 yards and rush for 100 yards in the same game 3 times in his career;

Whereas Manziel holds the freshman record for quarterback rushing yards (1,114) and total yards in a season (4,600);

Whereas Manziel was assisted by the leadership of Southeastern Conference Co-Coach of the Year Kevin Sumlin, the exceptional protection of the offensive line anchored by